GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:161
ANSWERED ON:28.07.2016
Investment in Development of Airports/Airstrips
Gandhi Shri Feroze Varun

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the modalities have been worked out to develop 160 airports and airstrips in tier II cities as announced in Union Budget 2016-17, and if so, the details thereof along with names of such airports/airstrips;

(b) whether the Government has envisaged Public-Private-Partnership (PPP) Model to fund these airports and airstrips, and if so, the details thereof;

(c) if not, the other funding mechanism being considered for the development of these airports in the country;

(d) the details of companies which have evinced keen interest in the development of the airport projects along with the Foreign Direct Investment (FDI) proposals received in the civil aviation sector during the last three years, year-wise; and

(e) the cost benefit analysis undertaken for the development of these airports and the steps taken to attract low cost carriers in these small airports?

Answer

Minister of CIVIL AVIATION

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (e): A Statement is laid on the Table of the House.

Statement in reply to part
(a), (b), (c), (d) & (e) of the Lok Sabha Starred Question No. 161 for 28.07.2016 regarding "Investment in Development of Airports/Airstrips". (a): Ministry of Civil Aviation (MOCA) has drafted the modalities for development/upgradation of airports in tier-II & tier-III cities of the country as a part of regional connectivity scheme under National Civil Aviation Policy, 2016. During the next three years, the Scheme envisages to revive 50 unserved/under-served airports/airstrips of State Government at an estimated cost of Rs. 4650 crores through budgetary support. MOCA has forwarded an Expenditure Finance Committee (EFC) Memorandum for appraising the budgetary support of Rs. 4650 crores. Airports Authority of India has been designated as the implementing authority of the scheme. Further, identification of airports/airstrips for revival is to be "demand driven", depending on firm demand from the airline operators and where the State Government agrees to provide various concessions envisaged in the Policy. (b) & (c): The National Civil Aviation Policy, 2016 envisages promotion of regional connectivity by way of revival of un-served and under-served airports/airstrips through various financing means including by way of Public Partnership Project (PPP). (d): Civil Aviation sector has attracted inflows of foreign investments during the last three years viz. (i) preferential allotment of 24% of paid equity share of Jet Airways (I) Ltd. to Etihad Airways, (ii) Joint Venture Company by Air Asia Investment Limited (AAIL, a company incorporated under the Laws of Malaysia) 48.951%, Tata Sons Limited (TSL) - 30.019% and Telestra Tradeplace Pvt. Ltd. (Telestra) - 21.028% in the name of Air Asia (India) Pvt. Ltd. (iii) Joint Venture by Tata Sons Ltd. (51%) and Singapore Airlines Ltd. (49%) in the name of TATA SIA . (iv) sale of stake in Bangalore International Airport Ltd by GVK Airport Holdings Limited to Fairfax India for Rs 2,149 crore. Further, in case of two major new airport projects in the country, Government of Maharashtra and Government of Goa are the project proponents of Greenfield airports at Navi Mumbai (Maharashtra) and Mopa (Goa) respectively under Public Private Partnership (PPP) mode. Request For Qualification (RFQ) stage has been completed at both the airports wherein some of the qualified bidders have venture with foreign investors. (e): The National Civil Aviation Policy, 2016 envisages to take flying to the masses by making it affordable and convenient. To promote this objective, the Policy provides for Regional Connectivity scheme by way of upgration/development of no-frills airports and Viability Gap Funding (VGF) to the airlines operating to these airports based on demand.